

PRESS RELEASE

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Madison, Wisconsin -- Erik C. Peterson, United States Attorney for the Western District of Wisconsin, announced today that the United States has entered into a Settlement Agreement with the Lac Courte Oreilles Ojibwa Community College (LCOOCC) to resolve allegations that Federal Perkins Vocational and Applied Technology Education Grant (Perkins Grant) funds were misappropriated at the institution between 1995 and 2001.

The LCOOCC is a post-secondary higher educational institution designed to provide educational services at various tribal locations. Between 1995 and 2001, the LCOOCC applied for and received Perkins Grant funds, which the Wisconsin Technical College System Board and U.S. Department of Education, Office of Inspector General later determined were misused by the college. Thomas Flaschberger, the LCOOCC's grant administrator, was subsequently criminally convicted of mail fraud in U.S. District Court in Madison in connection with the LCOOCC's misuse of Perkins Grant funds, and was sentenced to 30 months in prison.

The LCOOCC has represented that since 2001, it has undertaken numerous steps to improve the financial accountability and grant oversight at the college, such as

creating an Office of Sponsored Programs, to centralize responsibility for grant and contract administration, and amending the institution's charter to strengthen the integrity of the Board of Regents and increasing the authority of the college President.

While not admitting it engaged in any wrongdoing, the LCOOCC will pay the United States \$50,000 to resolve its potential civil liability to the United States. The LCOOCC, a non-profit institution, advised the United States that it had limited unrestricted financial resources to resolve the claims without significantly jeopardizing its curricula, programs, and/or the institution.

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